



PUBLIC ASSOCIATION

**“TRANSPARENCY INTERNATIONAL
MOLDOVA” (TI-M)**

FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2019

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Abbreviations used within the report:

TI-S – Transparency International e.V. (Secretariat)

NED – National Endowment for Democracy

MFA Netherlands – Minister of Foreign Affairs of Kingdom of the Netherlands

Independent Auditor's Report

***To the management of Transparency International - Moldova
Chisinau, Republic of Moldova***

Opinion

We have audited the accompanying financial statements of the projects financed according to the agreements between donating agencies Transparency International e.V. (Secretariat), National Endowment for Democracy, Minister of Foreign Affairs of Kingdom of the Netherlands, and Transparency International - Moldova (TI-M) which comprise the financial reports for the period 01.01.2019-31.12.2019 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the expenses of EUR 66 121 incurred by the projects for the period 01.01.2019 - 31.12.2019, in accordance with the approved project budgets and for approved purposes of the projects; in compliance with relevant Transparency International - Moldova (TI-M) regulations and rules, policies and procedures. The projects execution is in conformity with the project objectives and adheres to the contract conditions. The projects were economically conducted and the financial resources are used at destination.

Basis for opinion

We have conducted our audit in compliance with the International Auditing Standards applicable to special-purpose audit engagements. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Transparency International - Moldova (TI-M) and donor organisations in accordance with the ethical requirements that are relevant to our audit of the financial statements in Republic of Moldova, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of accounting and restriction on distribution and use

Our report is intended solely for the management of the projects, Transparency International - Moldova (TI-M) and financing organisations and should not be distributed to or used by parties other than the projects, TI-M and donors. Our opinion is not modified in respect of this matter.

Other aspects

According to the audit contract and terms of reference we have also issued a Management Letter.

Responsibilities of Management and those charged with governance for the financial statements.

Management of TI-M is responsible for the preparation and fair presentation of the financial statement of the projects in accordance with the requirements of the donators for the project implementation, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

Those charges with governance are responsible for overseeing the financial reporting process of TI-M.

Auditor's Responsibilities for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement.

As a part of an audit in accordance with ISA 800/805, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charges with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Director of Audit Firm, Auditor

September 8, 2020



Alla Kulikovskaia

TRANSPARENCY INTERNATIONAL MOLDOVA
I. Balance Sheets as of December 31, 2019

Assertions	Notes	December 31, 2019	
		MDL	EUR
CURRENT ASSETS:	4		
Cash	4.1	1 765 897	91 685
Inventory	4.2	8 523	443
Debtors and Prepayments	4.3	22 564	1 156
TOTAL CURRENT ASSETS		1 796 984	93 284
FIXED ASSETS:	5		
Tangible Fixed Assets	5.1	19 397	1 007
TOTAL FIXED ASSETS		19 397	1 007
Total Assets		1 816 381	94 291
LIABILITIES and NET ASSETS			
Targeted Financing	6	1 765 897	91 685
Liabilities	7	1 156	600
Net Assets	8	49 328	2 006
Total Net Assets and Liabilities		1 816 381	94 291



Executive Director

Chief Accountant

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TRANSPARENCY INTERNATIONAL MOLDOVA
II. FINAL PROGRESS REPORT
For 12 months period ended on December 31, 2019

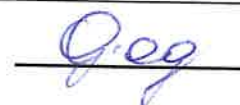
Assertions	12 months period ended December 31, 2019	
	MDL	EUR
Balance at the Beginning of the Reporting Period		
MFA Netherlands funded Project 28994-AF-03	6 489,28	332,42
NED funded Project No. 2018-0143	89 929,46	4 606,76
NED funded Project No. 2018-0858	91 991,91	4 712,41
SEC004/2018WG1/02-02	377,63	19,34
TIM member fee and Other	45 816,49	2 347,02
Total as of January 01, 2019	234 604,77	12 017,95
Incomes		
MFA Netherlands funded Project BKR-19-MATRA-01	1 556 904,00	80 000,00
MFA Netherlands funded Project 28994-AF-03	492 894,93	24 975,00
Swiss Confederation/Swiss Federal Department of Foreign Affairs (SCD) Project No.81062661	277 074,00	14 338,86
TI-Secretariat Project No.81062661 Co-funded	207 975,55	10 764,00
NED funded Project No. 2019-1118	176 684,00	9 125,67
NED funded Project No. 2019-0143	68 627,60	3 508,48
TI-Secretariat Small Grant "Global Anti-Corruption Consortium"	43 913,62	2 211,17
TIM member fee and Other	14 649,26	737,06
Total Incomes per Projects	2 838 722,96	145 660,24
Exchange rate difference	(22 961,05)	127,38
Expenditure		
MFA Netherlands funded Project BKR-19-MATRA-01	251 339,30	13 101,66
MFA Netherlands funded Project 28994-AF-03	493 979,01	25 176,01
Swiss Confederation/Swiss Federal Department of Foreign Affairs (SCD) Project No.81062661	36 996,55	1 926,90
TI-Secretariat - Project No. 81062661 Co-funded	25 219,85	1 313,53
NED funded Project No. 2019-1118	159 739,24	8 356,75
NED funded Project No. 2019-0143	158 321,83	8 115,24
TI-Secretariat Small Grant "Global Anti-Cor. Consortium"	45 041,71	2 211,17
NED reimbursement funds Pr. 2018-0858	91 991,91	4 712,41
TIM member fee and Other	21 839,97	1 206,98
Total Expenditure	1 284 469,37	66 120,65
Balance at the End of the Reporting Period		
MFA Netherlands funded Project BKR-19-MATRA-01	1 288 271,27	66 886,70
MFA Netherlands funded Project 28994-AF-03	3 027,27	157,18
Swiss Confederation/Swiss Federal Department of Foreign Affairs (SCD) Project No.81062661	240 077,45	12 464,66
TI-Secretariat Project No. .81062661 Co-funded	180 584,60	9 375,90
NED funded Project No. 2019-1118	14 903,49	773,79
TIM member fee and Other	39 033,23	2 026,69
Balance at the December 31, 2019	1 765 897,31	91 684,92

Executive Director





Chief Accountant




TRANSPARENCY INTERNATIONAL MOLDOVA NGO
III. CASH FLOW STATEMENT
For 12 months period ended on December 31, 2019


<i>Assertions</i>	Amount in MDL	Amount in EUR	Amount in USD
Opening Balance as of January, 01 2019	95 987,18	0	8 086.10
Cash Inflows			
Donations	281250,23	118 474,17	14 000,00
Total Incomes and balance as of 01.01.2019	377 237,41	118 474,17	22 086,10
Cash Outflows		46 767,04	21 614,60
Exchange EUR and USD in MDL	1 306 860,96		
Exchange rate difference	(22 960,85)		
Total Cash Available for Activities	1 661 137,52		
Total Expenditure	1 284 469,57		
Closing Balance as of December 31, 2019	376 667,95	71 707,13	471,50
Total Cash Balance in EUR		91 684,92	


* 01.01.2019: 1 EUR = 19,5212, 1 USD =17,1427

** 31.12.2019: 1 EUR = 19,2605, 1 USD =17,2093

/Detailed cash flow report in annex 1/

Executive Director 

Chief Accountant 



TRANSPARENCY INTERNATIONAL MOLDOVA
IV. NOTES TO THE FINANCIAL SCHEDULES
For 12 months period ended on December 31, 2019

1. PROGRAMME ACTIVITIES

During the 12 month period ended on December 31, 2019 the Association Transparency International – Moldova has implemented 6 projects:

1. "Building a State of Law and Democracy in Moldova: The Contribution of Civil Society" Grant No. 4000003249 concluded with Minister of Foreign Affairs through Embassy of the Kingdom of the Netherlands in Bucharest for the period of October 2019 – September 2022.
2. "Building a State of Law and Democracy in Moldova: The Contribution of Civil Society" Grant No. 28994-AF-03 concluded with Minister of Foreign Affairs through Embassy of the Kingdom of the Netherlands in Bucharest for the period of July 2016– September 2019.
3. "Civil Engagement to improve Local Governance" Project No.81062661 funded by the Swiss Confederation/Swiss Federal Department of Foreign Affairs (SCD) and the Secretariat of Transparency International e.V. for the period of November 2019 – May 2021;
4. "Reducing the Risks of Corruption in Draft Legislation" Protect Grant No. 2018-0143 funded by National Endowment for Democracy (NED) for the period of March 2018 – April 2019;
5. "Strengthening Anti-Corruption Policies" Project No 2019-1118 funded by National Endowment for Democracy (NED) for the period of September 2019 – October 2020;
6. "Global Anti-Corruption Consortium Project" Small grant funded by Transparency International e.V. for the period April – August 2019.

2. INCOMES

Within the reporting period, TI-M received donations from:

Agency	Date of receipt	Amount sent,		MDL available for use	EUR/MDL Exchange rate applied	Total in EUR
		EUR	USD			
NED						
	18.01.2019		4 000,00	68 627,60	17,1569	3 508,48
	01.10.2019		10 000,00	176 684,00	17,7292	9 125,67
	subtotal		14 000,00	245 311,60		12 634,15
Embassy of Netherlands						
	13.04.2019	14 975,00		292 952,93	19,4852	14 975,00
	16.07.2019	10 000,00		199 942,00	19,9942	10 000,00
	07.11.2019	80 000,00		1 556 904,00	19,3114	80 000,00
	subtotal	104 975,00	0,00	2 049 798,93		104 975,00
Secretariat of Eastern Partnership Civil Society Forum						
	13.06.2019	524,00		10 473,03	20,5202	524,00
	subtotal	524,00		10 473,03		524,00
Swiss Confederation/Swiss Federal Department of Foreign Affairs (SCD)						
				277 074,00	19,3233	14 338,86
	subtotal	0,00		277 074,00		14 338,86
Transparency International - Secretariat						
	12.04.2019	2 211,17		43 913,62	19,8599	2 211,17
	15.11.2019	10 764,00		207 975,55	19,3214	10 764,00
	subtotal	12 975,17	0,00	251 889,17		12 975,17
Other revenues						
	17.09.2019			4 176,23	19,6016	213,06
	subtotal			4 176,23		213,06
TOTAL INCOMES		118 474,17	14 000,00	2 838 722,96		145 660,24

3. PROJECTS

3.1 "Building a State of Law and Democracy in Moldova: The Contribution of Civil Society" Project BKR-19-MATRA-01 (400003249) For the period of 2019

No.	Items	Expenditure		Budget	%%
		MDL	EUR	EUR	
Incomes:		1 556 904,00	80 000,00		
		(17 293,43)	(11,64)		
Total sources available for 2019		1 539 610,57	79 988,36		
Expenditure:					
1	Fees	114 083,20	5 947	25 200	24
2	Copying, printing, publishing	0		300	0
3	Communication	1 700,10	89	720	12
4	Supplies	1 225,00	64	360	18
5	Activities	120 755,36	6 293	34 980	18
6	Facility rent	11 556,00	603	2 425	25
8	Travel expenses			360	0
9	Accommodation and boarding expenses				
10	Other indirect costs	2 019,64	105	1 100	10
Total Expenditure		251 339,30	13 101,66	65 445	20
Balance as of December 31, 2019		1 288 271,27	66 898,34		

3.2 "Building a State of Law and Democracy in Moldova: The Contribution of Civil Society" Grant No. 28994-AF-03 For the period of 2019

No.	Items	Expenditure		Budget	%%
		MDL	EUR	EUR	
Balance at the beginning:		6 489,28	332,42		
Incomes		492 894,93	24 975,00		
Exchange rate difference		(2 377,84)	25,77		
Total sources available for 2019		497 006,28	25 333,19		
Expenditure:					
1	FEES				
1.1	Project manager Carasciuc I 1000x12	98 300,01	5 000,00	5 000	100,00
1.2	Project assistant Spinei Ianina 800 x12	78 640,00	4 000,00	4 000	100,00
1.3	Accountant Ojog N 350x12	34 405,01	1 750,00	1 750	100,00
3.1	Communication Tel/free Hot-line/internet 12 month x100	10 788,08	548,73	740	74,15
4.1	Office supplies monyh 12x 30 EURO	5 050,00	256,87	234	109,77
Activities, Research					
5.1	Conducting a study			0	

5.4	Conducting a study of public administration reform	29 490,00	1 500,00	1 500	100,00
	MONITORING				
5.5	Monitoring the re-setting of the anti-corruption system	10 674,43	547,41	555	98,63
5.6	Monitoring public procurement (co-funding)			0	
5.7	Conducting periodical surveys and omnibuses to assess the popularity	150 737,50	7 712,73	7 750	99,52
5.8	Summarizing the results of various journalist			0	
	Disseminating 2 press releases				
5.9	Compiling multilateral assessments			0	
	EXPERTISE				
5.10	Providing expertise of emerged concrete legal documents			0	
5.14	Providing experts assessments of policy initiatives			0	
5.16	Round tables			0	
5.17	Working out public policy digests for a wide strata of population			0	
5.18	Organizing press-conferences	2 940,66	149,58	180	83,10
5.19	Broadcasting TV and radio programs 1			0	
5.16	Other			0	
	FACILITY RENT				
6.1	Office rent	46 028,60	2 341,23	2 239	104,57
8.1	Car rent			0	
10.1	Bank charges	3 332,72	169,47	182	93,12
10.2	AUDIT	23 592,00	1 200,00	1 200	100,00
	TOTAL	493 979,01	25 176,01	25 330	99,39
Balance as of December 31, 2019		3 027,27	157,18		

3.3 "Civil Engagement to improve Local Governance" Project No.81062661
funded by the Swiss Confederation/Swiss Federal Department of Foreign Affairs (SCD) and the Secretariat of the Transparency International e.V. for the period of November 2019 – May 2021;

Income	MDL	EUR
Swiss Confederation	277 074,00	14 338,86
TI-Secretariat	207 975,55	10 764,00
Total INCOME	485 649,55	25 102,86

ITEMS	Swiss Confederation	TI-Secretariat	TOTAL	Budget	%%
Income	277 074,00	207 975,55			
Expenditure					
Personnel costs					
Total personnel costs	30 381,76		30381,76	425 345	7%
Operational costs			0	0	
1. Training for local NGOs and activists	4 650,00	24 965,00	29615	31 240	95%
2. Small grants for local NGOs			0	272 400	0%
3. Workshops in locations			0	32 400	0%

3.1 Conference room rent				0	3 600	0%
4. TV programs				0	27 000	0%
5. Anti-corruption event for youth				0	7 000	0%
5.1 two trainers and one logistical person				0	6 000	0%
6. Publication of policy digests				0	5 400	0%
Transport costs			0	0	20 000	0%
Car rent to travel to the localities				0	20 000	0%
Office costs	1 964,79	254,85	2219,64		45 380	5%
Total operational costs	6 614,79	25 219,85	31834,64		440 820	7%
Total project in MDL	36 996,55	25 219,85	62 216,40		866 165	7%
Total project in EUR	1 926,90	1 313,53	3 240,43			
Exchange rate difference		(2171,10)				
Balance as of December 31, 2019 in MDL of December 31, 2018	240 077,45	180 584,60				
Balance as of December 31, 2019 in EURs of December 31,	12 464,76	9 375,90				

**3.4 "Strengthening Anti-Corruption Policies" Project NED No 2019-1118
For the period September- December 2019**

Items	Expenditure		Budget	%%	EUR Equivalent
	MDL	USD	USD		
Incomes: National Endowment for Democracy	176 684,00	10 000,00			9 125,67
Expenditure:					
Salaries	135 454,43	7 746,87	25 232	31	
<i>Project manager</i>	47 273,82	2 701,36	8 103		
<i>Accountant</i>	16 745,51	957,62	2 873		
<i>Expert 1</i>	47 933,97	2 741,12	8 254		
<i>Expert 2</i>	10 901,89	624,75	1 875		
<i>Expert 3</i>	12 599,24	722,02	4 127		
Office Space & Utilities	7 000,00	400,29	1 200	33	
Supplies & Equipment	1 302,00	74,40	360	21	
Communications & Postage	1 524,99	87,14	360	24	
Contractual / Consultant Services	11 622,27	664,13	1 200	55	
Other direct costs	2 835,55	166,59	1 648	10	
<i>Organizing focus group</i>			500		
<i>Room rental, Press conference</i>	1 340,00	76,79	200		
<i>Holding a TV debate on corruption</i>			400		
<i>Publication of policy digest</i>			200		
<i>Refreshments, round table1</i>			60		
<i>Refreshments, round table2</i>			100		
<i>Bank fees</i>	1 495,55	89,80	188		
Total Expenditure	159 739,24	9 139,43	30 000	30	8 356,75
Exchange rate difference	(2 041,27)				(4,87)
Balance as of December 31, 2019	14 903,49	860,57			773,79

**3.5 “Reducing Risks of Corruption in Draft Legislation” Project NED No
2018-0143**

For the period January - February 2019

Items	Expenditure		Budget	%%	EUR Equivalent
	MDL	USD	USD		
Balance at the beginning:	89 929,46	5 241,35			4 606,76
Incomes: National Endowment for Democracy	68 627,60	4 000,00			3 508,48
<i>Exchange rate difference</i>	(234,77)				
Total sources available for 2019	158 321,83	9 241,35			8 115,24
Expenditure:					
Salaries	145 501,88	8 491,64	25 797	33	
<i>Economic Expert</i>	59 444,86	3 468,76	12 210		
<i>Legal expert</i>	27 561,67	1 608,70	1 607		
<i>Project manager</i>	38 998,90	2 275,68	8 000		
<i>Accountant</i>	19 496,45	1 138,50	3 980		
Office Space & Utilities	6 890,00	402,92	1 400	29	
Supplies & Equipment	1 173,50	68,63	710	10	
Communications & Postage	1 559,95	91,23	436	21	
Contractual / Consultant Services		0	210	0	
Other direct costs	3 196,50	186,93	2 222	8	
<i>Press conference</i>	2 400,00	140,35	203		
<i>Organizing round table</i>			1 084		
<i>Policy digest</i>			800		
<i>TV Radio program</i>					
<i>Bank fees</i>	796,50	46,58	135		
Total Expenditure	158 321,83	9 241,35	30 775	30	8 115,24
Balance as of December 31, 2019	0	0			0

**3.6 “Global Anti-Corruption Consortium Project”
Small Grant Agreement “GaCC Ad-hoc grant” TI-S**

Items	Expenditure		Budget	%%	EUR Equivalent
	MDL	USD	USD		
Incomes: TI-S	43 913,62	2 500,00			2 211,17
<i>Exchange rate difference</i>	1 128,09				
Total sources available for 2019	45 041,71	2 500,00			2 211,17
Expenditure					
Salaries	26 460,62	1 468,65	1299,00	101%	1299,00
Travel	0,00	0,00	0,00		0,00
Honoraria (translation)	3 593,29	199,44	176,40	100%	176,40
Workshops	10 516,75	583,75	516,29	97%	516,29
Overhead	0,00	0,00	0,00		0,00
Other	4 471,05	248,16	219,48	99%	219,48
Total Expenditure	45 041,71	2 500,00	2 211,17	100%	2 211,17
Balance as of December 31, 2019	0	0			0

3.7 TIM – EXECUTION FEE and Other

Description	12 months period ended January 31, 2019	
	MDL	EUR
Opening cash balance	46 194,12	2 366,36
Other incomes	14 649,26	737,06
<i>Exchange rate difference</i>		55,58
Total sources available for 2019	60 843,38	3 103,42
Expenses	21 810,15	1 132,41
Closing Cash Balance	39 033,23	2 026,59

4. Current Assets

The balance value of current assets amounts to MDL 1 796 985 or 93 283,46 Euros as of December 31, 2019 and is made up of the following items:

4.1 Cash at the disposal of TI-Moldova on 31.12.2019 in the amount of:

Amounts	Bank Accounts balance	Total in MDL	Total in EUR
Cash in bank accounts in MDL	MDL 376 046,16	376 046,16	19 524,22
Patty cash	MDL 621,79	621,79	32,28
Cash in bank accounts in EUR	€ 71 707,13	1 381 115,18	71 707,13
Cash in bank accounts in USD	\$ 471,50	8 114,18	421,29
Total Cash Balance		1 765 897,31	91 684,92

4.2 Inventory is consists of a large sun umbrella for outside public events in the amount of MDL 8523,40 (EUR 442,53), which are confirmed by stock lists.

Opening Balance (MDL)	Procured (MDL)	Used (MDL)	Closing Balance (MDL)	Total in Euros
Inventory – 5 924,40	2 599,00	0	8 523,40	442,53

4.3 Short-term receivables – MDL 22 564,42 (EUR 1 156)

Accounts prepayment	Closing Balance (MDL)	Total in Euros
Local organization:		
Moldgell, Moldtelecom, Orange Moldova – telephone/internet	4 481,82	232,69
Writers Union – for rent	9 673,88	502,27
Audit firm	1 530,00	79,44
Others	6 579,72	341,62
Total	22 564,42	1 156,01

5. Long Term Assets

Tangible fixed assets as of December 31, 2019 are represented in accounting by office equipment and furniture:

Tangible Fixed Assets	Opening Balance (MDL)	Procured (MDL)	Depreciation (MDL)	Balance Cost (MDL)	Total in Euros
Computers	9 432,00	0	2 016,96	7 415,04	384,99
Furniture	180,00	0	69,16	110,84	5,75
Other Office Equipment	17 881,69	0	6 010,16	11 871,53	616,37
Total	27 493,69	0	8 096,28	19 397,41	1 007,11

6. Targeted Financing

The financial result per projects obtained as of 31 December 2019 from donations makes up EUR 91 685, and may be presented as follows:

Donators	Opening Balance as of 01.01.2019	Incomes	Expenditure	Exchange rate difference	Closing Balance as of 31.12.2019
MFA Netherlands funded	332	104 975	38 278	14	67 043
NED funding	9 319	12 634	21 184	5	774
Swiss Confederation/Swiss Federal Department of Foreign Affairs (SCD)		14 339	1 927	53	12 465
TI-Secretariat		12 975	3 599		9 376
TIM member fee and Other	2 367	737	1 133	55	2027
Total Targeted Financing	12 018	145 660	66 121	127	91 685

7. Short-term liabilities

Short-term liabilities – include the Liabilities for taxes and medical/social insurance- MDL 11559,57 or (EUR 600,17).

8. Increase in Net Assets

Increase in net assets in the amount of EUR 2 006 were formed by: long-term assets left at the disposal of TI-M, balance of short-term assets, difference on exchange rate:

	Total in EUR
Unrestricted Assets:	
Property fund – investments of targeted financing in long-term assets (p.4)	1 007
– inventory (p.3.2)	443
- Debtors and Prepayments (p. 3.3)	1156
–minus liabilities (p. 6)	(600)
Total	2 006

9. Significant Accounting Policies

Basis

The record of assets and economic operations is made in monetary expression through a continuous reflection in accounting books and is correspondingly disclosed in financial statements.

The main principle used in accounting is the principle of assessment according to the initial value.

At drawing financial statements, the following method is used: expenditures related to application of targeted financing are recognized in accounting books at the moment of their incurrence and payment.

Foreign currency

Economic transactions are reflected in accounting books and, eventually, in financial statements in Euro and Moldovan Lei. Thus, the targeted financing (funds) received in EUR and USD is recorded in Moldovan Lei at the official exchange rate as of the receipt date. Expenses are recorded in accounting books in Moldovan Lei and in financial statements in EUR at the average exchange rates per period of activity.

Assets and liabilities denominated in foreign currencies and presented in annual financial statements are converted into Moldovan Lei at the official exchange rate set by the National Bank of Moldova as of December 31, 2019 – 19,2605 MDL for 1 Euro and 17,2093 MDL for 1 USD.

Fixed Assets

Received fixed assets are reflected in accounting at the cost value, in compliance with the International Accounting Standards.

In financial statements, procurement of fixed assets is recorded as expenditure of targeted financing in the overall amount. In financial statements drawn up in compliance with the National Accounting Standards, procured fixed assets are presented as long-term tangible assets financed from the special real estate fund formed of donations.

Depreciation of fixed assets is calculated by the straight-line method on the basis of their operation life and is recorded under application of the special real estate fund.

Inventory

Inventory, as well as low-value and short-term assets (that cost up to 6,000 MDL) are presented in the financial reports for donors as expenditure, while in the financial statements drawn up in compliance with the National Accounting Standards as items with the same name under current assets on the balance sheet.

Accounts Receivable and Payable

Short-term receivables and liabilities are presented in the financial statements in compliance with the International Accounting Standard IAS at their nominal value that includes taxes and fees stipulated by local legislation.

Net Assets

Net assets represent:

- Permanently restricted assets – balances of targeted financing according to projects; these assets cannot be used for other purposes than those stipulated by project budgets;
- Temporarily restricted assets – short-term investments;
- Unrestricted assets – balances of targeted financing left by the donor to be used to meet the needs of the organization and incomes obtained from gain on exchange rate from conversion of foreign currency;
- Real estate fund created based on investment of targeted financing in long-term assets.

TI-Moldova 2019 CONSOLIDATED CASH FLOW REPORT

2019	NED		TI-Secretariat		Swiss Confederation/Swiss Federal Department of Foreign Affairs (SCD)		MFA Netherlands		Member fees and Other		Total	
	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR
	Balance opening	181 921,37	9 319,17			0,00	0,00	6 489,28	332,42	46 194,12	2 366,36	234 604,77
Grant no. 28994-AF-03 SEC004/2018/WG1/02- 02							6 489,28	332,42			6 489,28	332,42
NED Grant 2018-0858	91 991,91	4 712,41							377,63	19,34	377,63	19,34
NED Grant 2018-0143	89 929,46	4 606,76									91 991,91	4 712,41
Member fees and other											89 929,46	4 606,76
Incomes 2019	245 311,60	12 634,15	251 889,17	12 975,17	277 074,00	14 338,86	2 049 798,93	104 975,00	14 649,26	737,06	2 838 722,96	145 660,24
BKR-19-MATRA-01 (4000003249)							1 556 904,00	80 000,00			1 556 904,00	80 000,00
Grant no. 28994-AF-03							492 894,93	24 975,00			492 894,93	24 975,00
NED Grant 2019-1118	176 684,00	9 125,67									176 684,00	9 125,67
NED Grant 2018-0143	68 627,60	3 508,48									68 627,60	3 508,48
Project. No.81062661			207 975,55	10 764,00	277 074,00	14 338,86					485 049,55	25 102,86
Member fees and other			43 913,62	2 211,17					14 649,26	737,06	58 562,88	2 948,23
Available for use in 2019:	427 232,97	21 953,32	251 889,17	12 975,17	277 074,00	14 338,86	2 056 288,21	105 307,42	60 843,38	3 103,42	3 073 327,73	157 678,19
Exchange rates difference	-2 276,50	4,87	-1 013,19			52,80	-19 671,36	14,13		55,58	-22 961,05	127,38
Expenditures 2019	410 052,98	21 184,40	70 291,38	3 599,27	36 996,55	1 926,90	745 318,31	38 277,67	21810,15	1 132,41	1 284 469,37	66 120,65
BKR-19-MATRA-01 (4000003249)							251 339,30	13 101,66			251 339,30	13 101,66
Grant no. 28994-AF-03							493 979,01	25 176,01			493 979,01	25 176,01

